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## AMERICAN CONSU GENERAL

1948 JUN 28 FM 4 21 Bombay, India, June 16, 1948 D.

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Indian Delegation to Egypt for Swop of Jute and SUBJECT:

Tea for Cotton. 1-1055

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

I have the honor to report that the Government of India has sent a Delegation to Egypt to trade jute and tea for long staple Egyptian cotton. The Delegation is composed of Mr. Kasturbhai Lalbhai, Ahmedabad Millowners' Association (leader), Mr. J.P. Patel, Bombay Millowners' Association, Mr. N.L. Kanoria, Indian Jute Mills Association, Calcutta, Mr. Debes C. Ghosh, Indian Tea Planters' Association, Calcutta, and Mr. T.P. Barat, Textile Commissioner, Bombay, as Member-Secretary.

Mr. J.P. Patel is also one of the largest Bombay cotton merchants and is representative in India for Anderson, Clayton and Company, U.S. cotton firm. He said the Delegation will discuss the amount of current cotton crop which Egypt might supply India immediately. He understands Egypt is anxious for both jute and tea from India, and feels that India is in an exceptionally good bargaining position. Mr. Patel also said although the Delegation had no definite instructions, they would undoubtedly discuss an agreement for the 1948-49 crop as well. It is the intention of the Delegation to accompolish an agreement similar to that made between Egypt and Russia.

Respectfully yours,

Charles O. Thompson American Consul

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Despatch no. 360 Bombay, India, June 16, 1948.

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## INCOMING AIRGRAM

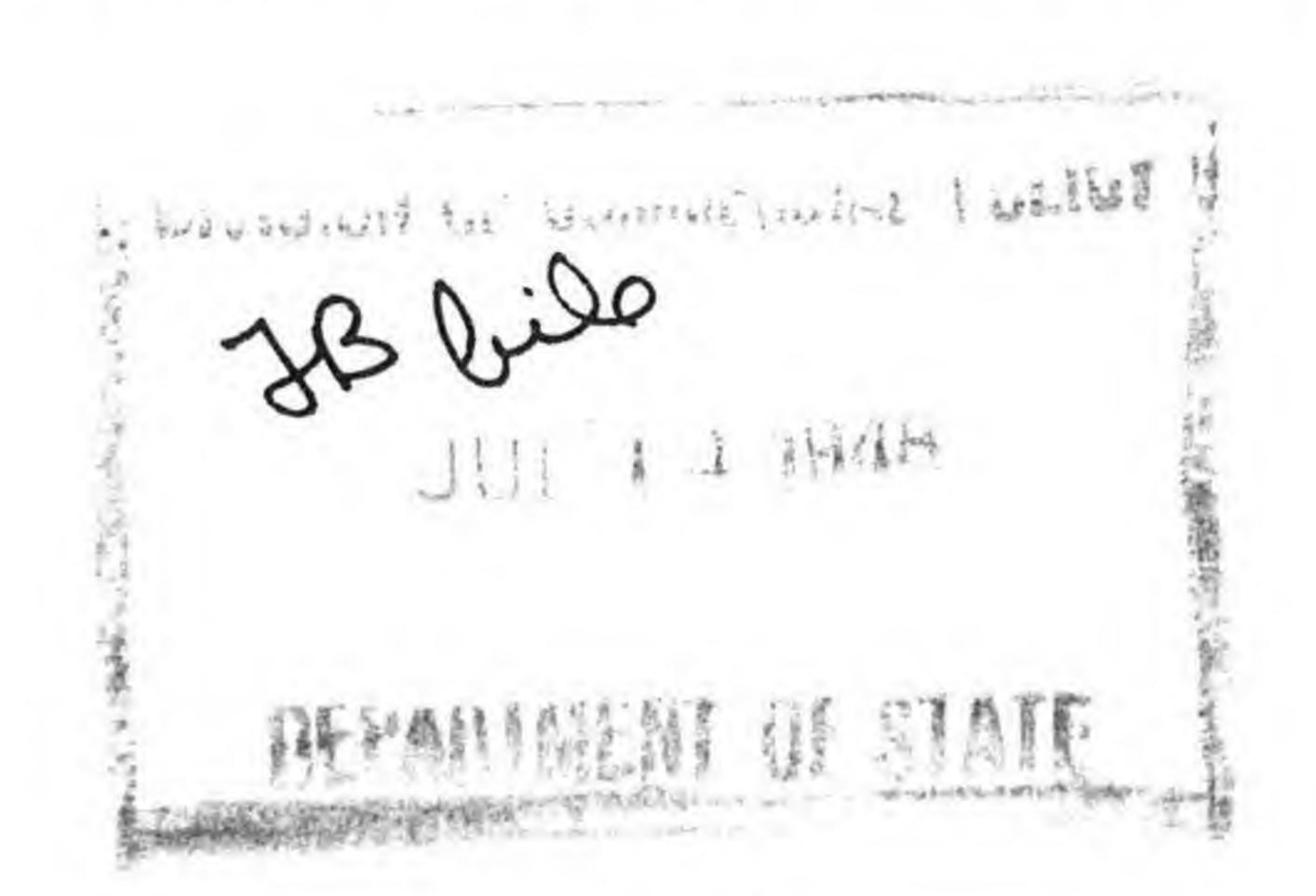
DEPARTMENT OF STATE

DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

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AIRGRAM



1721

Dispatched:

July 8,1948

From:

American Embassy

Gairo, Egypt

Dates

Received: July 13, 1948 1:06 pm.

CTION ITP INFO IC/R IC/L

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Secretery of State

Washington

A-443, July 3, 1948.

Ref page 7 Embassy Report No. 127, June 19, 1948.

Indian delegation left Cairo without reaching agreement barter of jute and tea for Egyptian cotton. Unofficially reported Egypt not interested in obtaining more tea or jute and India considered price long staple cotton too high.

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#### THE FOREIGN SERVICE

UNITED STATES OF AMERICA

177-CP AMERICAN EMBASSY

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Charito Hayet. June 10, 1949

ection to DC/ - July

Commer ial Agreement between Egypt and India inbiect;

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ACTION ITT

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The Officer in Charge of the American Embass; at Cairc has the hours to recor pertain information obtained by a representative of the Embassy in an interview with Moustapha El-MHOUNY boy, Controller General of the Economia and Financial Section, Ministry of Pinance, concerning the commercial egreement signed by Egypt and India in New Delhi or May 10, 1949, which agreement has been forwarded for ratification to Parliament and is expected to receive retiffication during the present · 音音音音 1. 注: n

The agreement, which was signed by Muhamed ZARY Dor representing the Esyptism Government and heading the Egyptian delegation, and M. C. IESAI, representing the Ministry of Commerce of India, was signed provisionally for one year and will ember into icros after ratification. Ly the two governments.

Under the terms of the egreentent, India will expert to Egypt products of jure, tea, tobacco, textiles, manufactured articles, and electrical products in exchange for rice, cotton, gursum, rock phosphate, and flar, The emetion of the assement relabire to jute and rice will become immediately appliante.

In accordance with the terms of the agreement. Egypt and India agree to extend to each other most favored nation treatment under the commercial plan.

The amount of Egyptian annual exports to India has been fixed at a value of L.E. 33,000,000% and will include 4,000 tons of rice and 300,000 bales of cotton. Annual imports to Egypt from India are fixed at a value of L.E.8, 250, 0000 and will include 48,000 tons of jute products, 4,000 tons of oil, 2,000 tons of tes, 2,000 tons of tobacco, 4,000 tens of peanuts, and 4,000 tens of peanut oil.

The

(%) L.E.I equals approximately 54.15

OFFICE OF HITTER BATTER - 1 TO THE WOLLST JUN 22 1949

Cairo Despatob No. 570, June 10, 1949

The representantive of the Educaty was informed by El-Khouny Bey that a copy of the commercial agreement would be furnished the Embersy as soon as it is approved by Parliament, which should be in the near future.

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Fig. 1. Filt 510 of

Sent Department in parchment mat depies to: William L. Jenkins, Haquire, Division of Near Bastern Affairs; Division of Near Eastern Affairs, American Emassy, New Delhi





#### THE POREIGN SERVICE OF THE UNITED STATES OF AMERICA

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AMERICAN EMBASSY

REC D

New Delhi, India, July 5, 1949

ACTION ITP.

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FRB TREAS SUBJECT:

Bilateral Trade Agreements: Recommendations of the Federation of Indian Chambers of Commerce and Industry.

THE HONORABLE

WASHINGTON, D. C.

SIR:

I have the honor to quote the following statements from a press account of a communication addressed to the Government of India by the Federation of Indian Chambers of Commerce on and Industry:

"The communication points out that so far a bilateral trade agreement has been signed with only one Middle East country, namely, Egypt.

The Government, the communication says, should bear in mind the fact that geographically and economically, India should look forward to increasing her trade with her neighbouring countries, which are a potential market for Indian goods.

Welcoming the provision contained in India's trade agreements such as those with Yugoslavia, Czechoslovakia, Poland and Finland, where it has been stated that Indian ships will be allowed to carry a reasonable proportion of trade, the Committee of the Federation has urged upon the Government to judge the extent of invisible trade deficits or surpluses as minutely as possible and lay specific provisions in the trade agreements about them.

In this connection, the Committee commends that the Government should have a similar stipulation in regard to the utilization of Indian insurance and banking to decrease India's invisible imports and also to encourage the entry of these services in overseas transactions.

Attention of the Government has also been drawn to the fact that items of export included in these trade agreements follow a completely traditional pattern.

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Under the

American Embassy New Delhi, India Despatch Vo. 572 July 5, 1949

-2 -

Under the trade agreements, India has contracted to export to various countries raw jute, jute manufactures, manganese ore, hides and skins, certain minerals, shellac, mica, groundnuts, tobacco and tea and such other commodities which already have a somewhat "assured market" in various countries including the hard currency areas.

Although most of the agreements do not prohibit trade in items other than those specified in the Schedules in the trade agreements, it is absolutely essential that greater attention should be paid to include in the Schedules articles for which India aspires to develop an export trade.

Looked at from this point of view of developing the export trade, the utility of these trade
agreements has not at all been great. On the other
hand, the communication says, India has taken quite
a few unessential items from various countries such
as sheet and plate glass, bangles, leather goods,
wooden buttons, small quantities of caustic soda,
soda ash and cigarette paper."

Respectfully yours,

For the Ambassador:

Howard Donovan Counselor of Embassy

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Copies to: All Consular Offices in India

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REC ID

AMERICAN EMBASSY

Cairo, Egypt, September 20, 1949.

ACTION No. 853

TANCO.
TERMINATION OF THE COMMENT OF

Subject: Transmission of a copy of the Trade Agreement between the Royal E man and the Government of India.

The Officer in Charge of the American Mission at Cairo has the honor to refer to Unclassified Despatch No. 570 of June 10, 1949 entitled "Commercial Agreement between Egypt and India" and to enclose a copy of this agreement with pertinent attachments which has just been obtained from the Royal Ministry of Foreign Affairs.

It is regretted that owing to lack of secretarial help, it has been impossible to make and furnish adequate copies.

Enclosures Coll

1. Commercial Agreement between Egypt and India, with pertinent attachments.

Copy to Division of Near Eastern Affairs Copy to Mr. Stuart Nelson, Division of Near Eastern Airairs

Sent to Department in parchment mat File No. 510.1 HGMinnigerode/myb

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